Chapter 1 Introduction

Chapter summary: This chapter raises the question of what is meant by "glob-alization" and how we conceptualize economies as objects of analysis. It also explores how to think of economies as spatial entities, contrasting concepts of absolute and relative distance.

- The World Economy as a Spatial Entity
 - What is "the economy"?
 - How can we think of the economy as a spatial entity?
- Of Globalization, Shrinking Worlds, and the Paradoxes of Geography

What is "globalization" and how might we understand its geographies? Such an apparently simple pair of questions might demand an equally simple pair of answers. Thus, a popular internet commentary has suggested the phenomenon can be readily illustrated by the 1997 death of British Princess Diana in a Paris tunnel:

What is globalization? It's when an English princess with an Egyptian boyfriend crashes in a French tunnel in a German car with a Dutch engine driven by a Belgian who was high on Australian beer, Scottish whiskey, and Burmese dope whilst being followed closely by Spanish paparazzi on Italian motorcycles with Japanese cameras, and who was treated by an American doctor using Swiss drugs based on Brazilian medicines and medical technology that uses Bill Gates's software that he stole from the Taiwanese and which was loaded on hardware based on IBM clones that use Philippine-made chips and Malaysian-made monitors, clones which are assembled by Bangladeshi workers in a Singapore plant, transported by lorries made in Korea and driven by Indians, shipped by the Vietnamese crew of ships built in Northern Ireland but owned by Greeks and registered in Panama, ships hijacked by Indonesian pirates with guns made in Israel and smuggled by Africans and finally sold by an Arab salesman working through a Hong Kong front!

However, hidden within this explanation is a further question: is "globalization" merely the growth of "things international"? Put another way, does the mentioning of these many and diverse countries and people who were allegedly linked to Diana's death confirm the "globalized" nature of this event? Why is this a "global" rather than an "international" event, and is there any difference between these two terms? Certainly, the aftermath of the car accident that caused Diana's death was broadcast worldwide, virtually as it happened, and was taken to illustrate the "global problem" of paparazzi following famous people. But what does it mean to characterize her death as a "global" or even "international" event rather than as, say, a series of interlinked "local" events – an accident in a particular tunnel in Paris learned about by people in very particular locations (living rooms, cafés, offices, and street corners) across the planet? Moreover, given that the accident happened early in the morning in Paris, its timing meant that many people living in North America (where it was still evening) found out about the night's events before many Parisians, who were still sleeping. How, then, is this either a "global" or a "local" event when people living just a few streets from the accident may only have become aware of Diana's death several hours after people living across the Atlantic?

Such questions illustrate both that the term "globalization" is multifaceted and can mean quite different things to different people, and that the process of "globalization" has significant consequences for our lives and how we understand the world and our place in it. Although most generations probably imagine they live in times infinitely more complicated and worrisome than those of their forebears, the transformation of our contemporary world by "globalization" (whatever that may actually be) certainly seems to have augured tremendous consternation, concern, and confusion. Indeed, "globalization" appears to have made our lives very much more complicated as the world's old "commonsensical" geographical order seems to have been upset. For instance, disagreements between the French and US governments over going to war in Iraq led many Americans to boycott French goods. However, in a world of growing interconnectivity, in which transnational corporations (TNCs) criss-cross the planet with their investments, production chains, and lines of executive control and decision making, determining what, exactly, constituted a "French" product often proved difficult. Thus, one internet call urged Americans to boycott a long list of goods and companies, including such "obviously" French products and firms as Evian mineral water, Yoplait yogurt, Air France, Airbus, Cartier, and Yves St. Laurent. The only problem for the boycotters with such a strategy, though, was that many of the companies and products listed either were not actually French (Cartier is owned by a Swiss company, whilst Yves St. Laurent is Netherlands-based) or had significant ties with US companies. Hence, Evian's French parent company Groupe Danone SA uses Coca-Cola to distribute its mineral water in the US, whilst Yoplait is produced in the United States by General Mills and Air France has a strategic alliance with US carrier Delta, with which it code shares international routes and jointly owns a cargohandling company.1 Additionally, whilst urging US airlines not to purchase Airbuses was seen as a way to punish French companies and the French government (who together own almost 40 percent of Airbus), it would also punish firms from two US allies in

the war – the UK and Spain, firms from which own, respectively, 20 percent and 6 percent of Airbus – as well as put out of work thousands of Americans employed by US-based companies which annually manufacture about \$5.5 billion worth of Airbus components (McArtor 2003).

Furthermore, whilst many boycotters chose not to drink French wine, much "French" wine is actually blended and bottled in the United States - a process that provides employment for US winery, bottle manufacturing, and warehouse workers, not to mention, of course, the fact that it is distributed by US truck drivers. Equally, there arose the question of what to do about products like Waterman fountain pens, high quality pens that are made in both France and the UK by a company owned by the US giant Gillette. Should only the French-made pens be boycotted and, if so, how would they be distinguished by the average consumer from the UK-made ones, and what would this mean for the US investors who owned shares in Gillette? And should boycott supporters stop sleeping at Red Roof Inns across the USA and refuse to watch the Jerry Springer Show, read Woman's Day magazine, or download songs from MP3.com, all of which were owned at the time by French companies? What exactly, then, did a boycott of French goods mean when French firms were the fifth largest foreign investors in the US economy, owning businesses employing nearly 650 000 American workers (Hamilton & Quinlan 2004)? Moreover, what did it even mean to talk about a "French" firm - even if it were located in, and exporting from, France when many of that firm's stockholders might be American, British, Brazilian, Korean, Nigerian, or Canadian?

The difficulty of determining whether Evian and Yoplait, Airbus and Air France are "really" French products and companies highlights the fact that whatever else it may be, globalization is a spatial process and phenomenon, one which seems to be blurring old geographical certainties in which products and people were easily and quite literally "put in their place." Thus, in the days when Japanese car makers manufactured their products in Japan and exported them to the United States it was relatively easy to determine what was and was not a Japanese car. Today, on the other hand, determining whether a Corolla assembled in Fremont, California (where Toyota operates a joint-venture assembly plant with General Motors) is really a Japanese car, an American car, both, or neither seems much more difficult.² Likewise, what does it mean to talk of Airbus being a "European" – much less a "French" – company when it sources billions of dollars' worth of parts from US plants and has an engineering facility in Wichita, Kansas (which designed the wing for its A380 aircraft), or of its major competitor Boeing being an "American" company when it annually buys some €4 billion in components from European suppliers (McArtor 2003)?

Seeing globalization as a geographical phenomenon might, at first glance, appear strange. However, with a little thought it quickly becomes apparent that globalization is reshaping in significant ways the spatial and temporal organization of contemporary capitalism worldwide. As production chains for many products literally stretch across the globe, as intercontinental air travel means that most places in the world are now no more than 24 or 48 hours away from each other, and as modern telecommunications technology means that we can sit in our living rooms and watch in real time

events unfold half a world away, our planet seems to have become ever smaller and ever faster. Quite literally, we do not seem to have either the space or the time we used to have. Thus, whereas in the mid-seventeenth century it took four days for a letter to travel the 413 miles from London to Edinburgh (Picard 1997: 73), and in the mid-nineteenth century French author Jules Verne wrote a best-selling novel in which the characters were engaged in a race around the world to be undertaken in fewer than 80 days, today not only could one travel around the world in fewer than 80 hours.

than 80 days, today not only could one travel around the world in fewer than 80 hours, but one could also transmit several billion dollars around it in decidedly fewer than 80 seconds.

Furthermore, not only does the world appear smaller than it used to, but the relationship between people and places also seems to have changed, at least for many. Hence, whilst for much of recent history going to work meant having physically to cross geographic space to get from home to work, today it is not uncommon for millions of workers to "telecommute," working at home but connected to a central office via computer. Yet whereas a couple of decades ago telecommuting might allow workers to stay at home in the suburbs and avoid having to travel into a downtown office or perhaps allowed them to live in Idaho but work "in" Los Angeles, today it is increasingly common for workers to telecommute from one side of the planet to the other – as when Indian engineers in New Delhi log onto the mainframe computer of San Francisco-based Bechtel corporation and work, in real time, on projects with their US colleagues (Filkins 2000). Equally, in the past things like letters, business brochures, and government reports had to be physically transported (sometimes at great cost) from their point of origin to wherever they were going. Today, however, the ability to transmit such information via email in the form of PDF files or video clips means that nothing actually has to be physically transported from place to place - a phenomenon leading to the emergence in some sectors of what economist Danny Quah (1999) has called the "weightless economy."

Such spatial and temporal transformations have led some to argue that we live in a "shrinking globe" and an era of "fast capitalism" (Agger 1989) in which we are seeing the "acceleration of just about everything" (Gleick 1999); that we now exist in an "epoch of simultaneity" (Foucault 1986) in which, thanks to telecommunications technologies, the occurrence of events around the world and our knowledge of them are virtually simultaneous, regardless of how far we are physically removed from such events. Thus, whereas on November 22, 1883 the New York Tribune reported that, "A Paris dispatch in *The Post* says that owing to the absence of a telegraph cable between Tonquin and Saigon the result of military operations in Tonquin can only be known a week hence," by the middle of the twentieth century electronic media had so "contract[ed] the world to a village or tribe where everything happens to everyone at the same time [that] everyone knows about, and therefore participates in, everything that is happening the minute it happens" (Carpenter & McLuhan 1960: xi). This speed with which information crosses space today can have significant and rapid economic impacts around the globe. Hence, on September 11, 2001, the London stock market began responding within minutes of the first plane hijacked by Al-Qaeda operatives hitting New York's World Trade Center (Figure 1.1). Indeed, by the end of that day's Introduction

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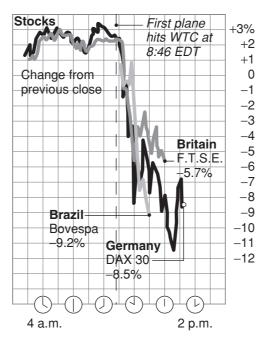


Figure 1.1 Impact of 9-11 attacks on stock markets around the world.

trading on London's FTSE 100 index, British Airways' stock had fallen more than 20 percent in value on fears that passenger numbers would decline as people chose not to fly. At the same time, the volume of trading on the FTSE shot up as investors around the world who were unable to trade in New York because its markets had closed used London as a proxy.

The perception that we are living in a faster and smaller world is, of course, the result of significant changes in technology and ways of social organization which allow distant places to be reached and/or interacted with in much shorter times than previously. It is also, however, partly a psychological aspect of what may seem to be unrelated elements of contemporary life. For instance, as life expectancies in the industrialized world have increased, society's "collective memory" has lengthened whereas average US life expectancy in 1900 of only 47 years meant society's collective memory was about half a century into the past, today it is over three-quarters of a century. This is significant, because longer life expectancies (particularly in a time of rapid social change) mean that more people are likely to remember how things may have been radically different in the past – millions of people who were born into a world without automobiles lived to see humans walk on the Moon and satellites leave our solar system, for instance. Longer life expectancies, then, provide a background against which the speed of change appears to be ever faster – if one can remember a "larger" and "slower" world, contemporary changes often seem to be much more significant. This raises the question of how young people today, who have grown up in the age of the internet, transoceanic jet travel, and satellite television, will perceive

the speed of future change — will they do so in ways similar to their parents or grandparents or does their youth make the world's smallness and fastness appear normal? Furthermore, such issues raise the question of how the speed of change is perceived in the so-called Less Developed Countries (LDCs), where life expectancies remain much lower but where they have been increasing significantly in some parts, even as they have decreased dramatically in others, like AIDS-ravished parts of Africa. Additionally, given that different cultures view time in different ways, such that the "Western concept of time [and hence of speed of change], which is abstract, external, linear, and quantitative, [often] makes little sense to members of other cultures where durations are measured not by the ticking of the clock, but by the unfolding of environmental events or the ordering of sacred rituals" (Rifkin 1987: 52), we are left with the question of how societally specific are perceptions that we are living in a smaller and faster world. Even as we can empirically show that, for example, it takes less time today to get from New York to Dar es Salaam than it did 50 years ago, such realities may be understood in quite different ways across the planet.

If, for many of us, the geographical and temporal relationships between places appear to be changing rapidly, so, too, do the systems of spatial ordering which have helped us make sense of the world economy for much of the twentieth century. Thus, after the end of World War II it became increasingly common in many academic and government circles to allocate countries to one of three levels of development - First World countries were those seen to be "advanced" industrial capitalist nations, Second World countries were those which professed to be communist, whilst Third World countries were seen as those nations (virtually without exception, former European, Japanese, or US colonies) that were largely agrarian and which had failed to develop "modern" industrialized economies. Today, though, such a system of spatial ordering does not seem to make much sense. With the collapse of communism in the Soviet Union and Eastern Europe, most of the "Second World" has ceased to exist, whilst China's embrace of capitalism - even if it remains a communist state in official rhetoric – makes it increasingly difficult to place that country squarely within the Second World category. Equally, whereas some parts of the old "Third World" like Brazil have developed rapidly and emerged as "newly industrializing countries" (NICs) - in 2003 Brazil had the world's eleventh largest economy, ahead of the Netherlands, Australia, Russia, Switzerland, and Belgium - others, like Mali, the Central African Republic, and Zimbabwe, appear to be even worse off today than they were 30 or 40 years ago, a situation which has led some commentators to ascribe them "Fourth World" status. Likewise, the ability of suppliers to deliver components across the globe in 24 or fewer hours means we can really consider places like Manila or Taipei or São Paulo to be, effectively, manufacturing suburbs of Los Angeles or Pittsburgh or London - a consideration which confounds our generally taken-for-granted notions of the geographical relationships between places and what it means to talk about processes like the "suburbanization of manufacturing."

Putting all of this together, it is clear that something geographical is going on in terms of the contemporary economic restructuring of our world. How, then, do we make sense of these changes?

The World Economy as a Spatial Entity

Frequently, "the economy" is presented in rather non-geographical terms as an entity in which relationships of supply and demand play out amongst producers and consumers who are seen to exist largely in a spatial vacuum. Thus, much economic theory strips itself of geography by initially assuming that economic interactions take place over an undifferentiated "isotropic" plane or, alternatively, on the head of a pin - only after the "serious" work of theorizing the "purely economic" basics of supply and demand has been completed are the subsequent "complications" of geographic location and spatial interaction added to the economic model to make it more "realistic." However, as many geographers have been at pains to point out, such additive approaches, in which space is simply appended to economic models of the world almost as an afterthought, are profoundly unsatisfactory. Rather, given that social interactions must take place somewhere and are intimately shaped by spatial considerations (like "how far away is the market for my product?" and "will it be easy or difficult to access geographically resources located in a particular place?"), spatial relations must be at the heart of theorizing processes like globalization. But how should we think of economies as spatial entities?

In order to begin answering these questions we must, first, consider what we mean by the term "economy" and, second, must examine how economies are constituted spatially, how the production of economic landscapes is not just a reflection of social relationships between economic actors but also how spatial relations are themselves constitutive of economic relationships – that is to say, how space is not simply the stage upon which economic relations play out but is, rather, implicated and imbricated in the very construction of those economic relations.

What is "the economy"?

The question "what is 'the economy'?" may seem an odd one because "the economy" has typically been thought of as a "self-evident object of study" (Thrift 2000: 690), a patently obvious "thing" which encompasses the totality of the monetarized relations of production, distribution, and consumption of goods and services within a particular geographical area. Generally, this area is implicitly conceived to be the nation-state, such that references to economic matters at other geographical resolutions are commonly qualified by supplementary scalar markers, as in "the *international* economy" or "the *local* economy." In such a view, "the economy" is taken to be a largely autonomous and self-regulating entity encompassing those social relations that operate within a self-contained sphere ("the economic"), a sphere distinct from others like "the cultural" or "the political" (Mitchell 1998).

However, such a conception is a historically and geographically specific one. Thus, economists of the eighteenth and nineteenth centuries generally did not use the term "the economy" in its modern sense as an analytically coherent object of inquiry but, rather, used the designation to refer to the "proper husbanding of resources and the

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intelligent management of their circulation" (Mitchell 2002: 4). As Mitchell (1998: 84) argues, even Adam Smith, "dubiously claimed as the father of modern economics, never once refers in *The Wealth of Nations* to a structure or whole of this sort." In contrast to today's widespread understanding of "the economy" as an entity which covers the monetized relationships between people and places, economists like Smith viewed "the economy" in the quite different terms of a vast household under the control of a sovereign and, as such, its unifying theme was that of "labor," regardless of whether this labor was paid or not. Hence, for Smith "the economy [was] a collection of rational subjects, whose economising activity leads to greater productivity and thereby accumulation of the capital stock," which was itself taken to be the aggregate product of human labor (Tribe 1981: 145). The wealth of nations was measured not by the quantity of their money or goods but by their labor and its capacity to transform the world around them.

Perhaps surprisingly, given its ubiquity, the contemporary understanding and discursive representation of "the economy" as an entity which has a unity and exists as a general structure of economic relations in an autonomous domain called "the economic" has its origin only in the period from about the mid-1930s. Precipitated by the political and economic calamities of mass unemployment, the collapse of many nations' currencies, and their subsequent abandoning of the gold standard (and with it the belief that bank notes were inherently valuable because they represented gold, a belief at the core of nineteenth-century financial thinking), the 1920s and 1930s were marked by a momentous crisis in the systems of economic representation which had appeared as natural ways in which to describe economic relationships during much of the nineteenth century. As these erstwhile systems of representation "began to fall apart and [as] the social orders [they] underpinned lost their coherence...the notion of the economy as a coherent structure came into circulation" (Mitchell 1998: 88). A key text in this regard is British economist John Maynard Keynes's 1936 work The General Theory of Employment, Interest and Money, a text often taken to mark the birth of what is today called "macro-economics" (Mitchell 1998, 2002). Whereas orthodox pre-Keynesian economics had conceived of the sphere of economic behavior as being the individual market for particular goods (an abstraction which had no geographical definition implicit within it), Keynes sought to theorize the "economic system as a whole." Significantly, Keynes's ideas - and those of economists like Jan Tinbergen, who in 1936 published the first dynamic model claiming to represent an entire economy – had specific geographies implicated in them, for they were focused upon constituting a theoretical object of analysis ("the economy") within a particular territorial configuration: the nation-state. In the Keynesian approach, then, it was the *national* economy that was privileged theoretically and analytically (Radice 1984).

Certainly, economists before Keynes explored the essential elements of what would come to be called macro-economics, but it was Keynes who "put the pieces together by constructing a theory in which the aggregates of income, consumption, and investment were mathematically related to one another" within a system at whose heart lay the concept of "national income." Hence, rather than remaining a descriptive

statistic to measure the economy's performance at any given time, for Keynes "national income" became "an object of policy that could be scientifically predicted and manipulated by... the state's economic engineers" (Adelstein 1991: 171). With the development of econometrics and a new language to talk about "the economy" (e.g., the "Gross National Product" and the "Gross Domestic Product," two terms which take as referents the nation-state's boundaries [Carson 1975]), the "world was [increasingly] pictured in the form of separate nation-states, with each state marking the boundary of a distinct economy" (Mitchell 1998: 90). The new concepts emerging in the mid-twentieth century, then, allowed nation-states to reimagine themselves as containers of "the economy."

Such understandings of "the economy" and "the economic" have been subjected recently to critique by, amongst others, feminist and post-colonial scholars.⁵ Hence, Cameron and Gibson-Graham (2003) trace how unwaged laboring typically done by women (like housework) has often been conceptualized as "non-economic" because it is not directly remunerated for money, even though it may ultimately contribute to processes of capital accumulation. Such an approach to female labor, they show, has a history stretching back at least to the writings of nineteenth-century economists like Nassau William Senior, who included female labor market activity within his definition of "the economic" but excluded activity within the home (housework and child rearing, which was largely done by women) because this latter did not result directly in goods that could be exchanged in the market for money (Hewitson 1999). Others have suggested that only with the collapse of European empires after 1945 did it begin to make sense to talk of the "British economy" or the "French economy" in national terms, since previously these entities were generally considered to include colonies like India or Indo-China.⁶ This was particularly so with the French empire, as overseas possessions like Réunion and Martinique constituted départements of France and enjoyed the same rights as any other *département* (like representation in the National Assembly).7 All of this is not to say, of course, that economies did not exist prior to the mid-twentieth century nor that the term "the economy" does not refer to material things - clearly, they did and it does. But it is to say that the particular theoretical object that we call "the economy" is a relatively recent creation, one shaped by political and other considerations.

This discussion about "the economy" and how we conceive of it has at least two important implications for considering the world economy as a spatial entity and of how globalization is impacting its nature. First, the view of "the economy" and of "the economic" laid out by Keynes and others in the 1930s clearly implicates space in particular ways. As Keynesian approaches developed, economies increasingly came to be seen as territorially constituted at the national scale, with the boundaries of the nation-state serving as the spatial resolution at which statistics on production, employment, real wages, and so forth could be incorporated into the new econometric models. Significantly, contemporary processes like the stretching of production lines across national boundaries appear once again to be transforming the relationship between the nation-state and "the economy" and to be bringing with them real analytical problems of determining where one economy ends and another begins. In turn, this is

giving rise to a sense of unease, as what have been taken during the past half-century to be commonsensical notions of the national economy no longer appear to work. Whereas the format of "the economy" implicit in Keynes's work represented a new discursive formation to replace that which had been shattered by the events of the 1920s and 1930s, contemporary restructuring appears to be highlighting the limits of this

very mode of representation.

Second, the issue of discursive formations themselves brings into play geographical questions, for such formations – that is to say, understandings of concepts like "the economy" - are always spatially constituted and constituting. Thus, discourses are shaped by the socio-spatial contexts within which they are created and words like "the economy," "freedom," and "democracy" mean different things in different times and places. As the so-called "cultural turn" in economic geography (Crang 1997) has taught us, concepts like "the economy" cannot be invoked uncritically as objects of analysis but must be located within particular historical and spatial contexts and interrogated to understand how they serve to fix meaning and ways of conceptualizing the world at particular times in particular places. Concepts, then, "perform" in myriad social and spatial contexts to shape how we exist in the world - rather than referring to "something solid, coherent and identifiable that lies beyond themselves ('the real economy', 'cultural practices' etc.)" (Castree 2004: 206), discursive constructions like "the economy" (or "globalization") serve to discipline how we think. Thus, conceptualizing "the economy" as something which is constituted within the bounds of nation-states has operated as a "powerful organizing practic[e] that [has served to] create the material effect of the economy as an apparently self-contained structure ... – material in the sense that the everyday force of the political order of capitalism [has been] structured out of these discursive effects" (Mitchell 1998: 93-4). Put another way, if we think of economies as things that are constituted within nationstates, then we will act as if that were indeed the case until something comes along in a particular time and place ("globalization"?) to disrupt such a way of thinking.

How can we think of the economy as a spatial entity?

So far, we have explored the idea of "the economy" as spatially constituted in two ways: first, the very category of "the economy" is historically and geographically specific; second, beginning in the mid-twentieth century, the pre-Keynesian abstraction of "the market," which had no implied spatial definition, was increasingly replaced by the concept of the "economic system as a whole," a system whose geographical extent was territorially circumscribed by the boundaries of the nation-state. However, accepting that there is, in fact, something that we have come to call "the economy," how might we think of this as having spatial expression?

As intimated above, the economy has frequently been viewed as an essentially aspatial entity, with relationships of production and consumption, supply and demand merely projected onto space to form a kind of spectral economic shadowland. In such a view, space is little more than the stage upon which the economic action takes place, with the economic landscape the reflection thereof – whilst history is seen as dynamic and

readily shaped by social forces, geography is viewed as static, merely the platform upon which social, economic, cultural, and political forces and relations play out historically. Even in the case of Keynesian-inspired understandings of "the economy" geography is only implicated in a very limited fashion, in the form of spatially defined boundaries which are coincident with the geographical extent of particular nation-states and which mark the edges of their economies – for Keynes, then, the nation-state serves as a spatial container of the economic action, but that is pretty much it. However, as the past 20 years or so of theorizing within the field of economic geography have shown, space is intimately insinuated in how economies operate, with capitalism's economic organization shaping its geographical organization but, also, with its geographical organization fundamentally shaping the accumulation process. This current way of thinking about "space economies" – that is to say, about economies as spatial entities – is the culmination of theoretical developments stretching back to the nineteenth century.

Briefly stated, we can divide the intellectual history concerning the idea of the "space economy" into four time periods. First, many nineteenth-century economists like Karl Marx tended to privilege time and historical transformation over space and geographical transformation in analyses of how capitalist (and other) economies work. Hence, Marx focused principally upon how capitalists can reduce the time it takes to turn over their capital (without really considering how the spatial organization of production and consumption might facilitate this) and upon historical transitions in the mode of production (as from feudalism to capitalism). Although he occasionally had some quite prescient geographical insights – as when he talked about how transportation improvements in Victorian Britain were leading to the "annihilation of space by time," as the time taken to travel from place to place was reduced – generally Marx's focus was the accumulation of capital (which required capitalists to control workers' labor time) and the historical transition between modes of production.

Second, environmental determinism's influence in the late nineteenth century had a dramatic impact upon how geography was seen to shape economies and patterns of economic development. At its most extreme, environmental determinism argued that a society's geographical location determined its levels and types of economic development (Peet 1985). Hence, it was argued that Africa was "underdeveloped" because the continent's populations were unlucky enough to live in regions where nature was particularly harsh, an explanation which conveniently forgot that Africa's environment had, after all, produced the entire human race and which also provided justification for European conquest – a neat intellectual trick! Thus, writers like British geographer and imperial apologist L. Dudley Stamp (1937) largely explained patterns of economic development as resulting from favorable or unfavorable climatic conditions. In such a formulation, then, geography played the dominant role in explanations of patterns of economic activity.

Third, beginning in the late 1960s, academic geography began to be transformed. Thus the Vietnam War, student protests in France and elsewhere in 1968, the Soviet invasion of Czechoslovakia, the feminist movement, and decolonization radicalized many geographers and led to a concomitant rethinking of how they thought

about the world. Within economic geography this was marked by an engagement with political economy. In particular, geographers like Harvey (1973) began to argue that understanding how economic landscapes were made required understanding the inner workings of capitalism as an economic system. However, concerns that placing too much explanatory weight upon geographical location and space would resurrect charges of environmental determinism led to a focus upon space as principally a mirror of the social relations of production. Certainly, such an approach – one which spotlighted the historical and material processes of uneven development spawned by capitalism's "internal laws" – was more dynamic than previous approaches, which had tended to concern themselves with little more than understanding patterns of spatial distribution across the economic landscape (that is to say, they had focused upon the patterns themselves rather than the deeper structural forces of capitalism which caused them). Yet, the conceptual developments of the 1970s still did not really incorporate a view of space as dynamic, something that played an active role in structuring economic relationships.

Fourth, in response both to the theoretical advances, but also limitations, in the approaches developed in the 1970s, economic geographers began to explore what Soja (1980) has called the "socio-spatial" dialectic. Such an approach argued that space and social relations are mutually constitutive – that is to say, how a social system like capitalism is organized economically shapes how its geography is produced but, also, how capitalism is ordered spatially shapes how social relations subsequently evolve (Harvey 1982; Massey 1984). For example, if processes of suburbanization result in urban landscapes designed around the assumption people will primarily access the city by car, then options for moving about the city in other ways (like walking) are often severely limited. This means that to get around an urban environment it increasingly becomes necessary to have access to some form of motorized transport, often a private car. In turn, as more people become dependent upon cars because patterns of development make it very difficult to walk anywhere, there is less incentive or ability to build walkable cities, a phenomenon that further encourages automobile-oriented development. A place's geographical "path dependence," then, shapes how its social relations evolve, and vice versa (Figure 1.2).

One way in which this idea of a socio-spatial dialectic has shaped our understanding of economies as spatial entities is through the concept of what Massey (1984) has called the "spatial division of labor." Whereas the concept of a *social* division of labor

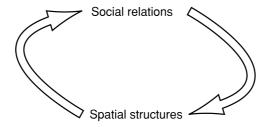


Figure 1.2 The dialectic between social relations and spatial structures.

is very familiar, Massey argued that any social division of labor is also implicitly a spatial division, since different types of employment are typically found in different geographic locations. Through an analysis of economic restructuring in Britain she showed how and why various industries located different parts of the production process in different regions - areas like the Southeast became centers of research and development whilst, by the 1970s, the declining industrial heartlands of northern England, Scotland, and South Wales were being reimagined as centers of branch plant light manufacturing. Massey showed how this spatial division of labor developed in response both to firms' internal production and management needs but also in response to the geographic environment within which such decisions were being made, with the existing spatial division of labor having significant impacts upon subsequent patterns of investment across the economic landscape – the boom regions which served as the basis for the nineteenth-century industrial revolution were in decline by the early post-war era and so became attractive locations for branch plants due to their high unemployment (and thus low wages). Through this work she argued that the geography of capitalism could productively be thought of in terms of a geologic-type continuous depositing across the landscape of layers of investment, sometimes deep, sometimes shallow, with such investment interacting with pre-existing spatial arrangements of production and consumption to produce new geographies of uneven development.

Such work to conceptualize the active role space plays in shaping how economies operate was complemented by geographers like Harvey (1982), who argued that economic systems not only play out across space but are, in fact, reliant for their functioning upon how the landscape itself is structured. In particular, Harvey argued that capitalists must create particular geographical configurations - what he called "spatial fixes" - of their investments if they are to accumulate and realize profits. This might necessitate ensuring that transportation networks link factories with sources of raw materials or that finished commodities can be readily sent to markets. For Harvey, then, capitalists' ability to access particular spaces is essential for capitalism to operate, whilst their failure to do so can severely hamper their accumulation activities. For example, prior to the development of high-speed transportation poor spatial connectivity meant that supermarkets in New York City could only source fresh produce that was grown locally (perhaps in New Jersey or eastern Pennsylvania), regardless of cost. Today, in contrast, fresh produce can be sourced quite literally from all over the world, a phenomenon which allows large food corporations and supermarkets to take advantage of producers' low wages in places like central Mexico in ways which previously they could not. Through transforming the spatial relationships between places and creating new "spatial fixes," then, entrepreneurs have been able to "open up" new markets and new source regions and so give themselves greater geographical flexibility with regard to their profit-making activities. Evidently, how capitalism's geography is made is of no mere peripheral concern but is, in fact, central to capitalists' ability to function and reproduce themselves over time.

However, as I have argued elsewhere (Herod 2001), how capitalism's geography is made is of great importance not just to capitalists but also to workers. Thus,

ensuring there is work available within the geographical vicinity of where they live is crucial if workers are to sustain themselves on a daily or generational basis. Yet workers are sometimes spatially limited in their ability to access employment opportunities, particularly where there is a "spatial mismatch" (Kain 1968) between where unemployed workers are located - say, central-city areas - and where new job opportunities are opening up - perhaps the suburbs. Only through understanding how workers are spatially trapped in the central city - unable to secure jobs in the suburbs because they lack transportation to get there but unable also to live in the suburbs due to high housing costs - can we understand why some jobs remain unfilled in metropolitan areas with high unemployment. Whereas neoclassical economists may explain such a situation as resulting from workers having the wrong skills or of not being willing to work for the low wages that are perhaps being offered, in fact it is the spatial structure of the urban environment and the limits on workers' ability to cross space which really explain how some are shut out of the local labor market. Consequently, to solve problems of jobs going unfilled whilst many suffer unemployment, workers and their advocates may seek a geographical solution, namely restructuring the spatial relationships between different parts of the urban environment through, say, building a mass transit system linking the urban core with the suburbs.

Similarly, workers may try to mold the spatial relations between places through collective bargaining activities. For example, some workers may decide it is beneficial to negotiate a single wage rate for their industry across an entire region or country, thereby preventing employers from whipsawing plants against one another on the basis of wage rates. Others, though, may prefer a highly spatially variegated wage surface in the belief that their willingness to work for wages lower than the industry average gives their communities a competitive advantage. Through their abilities to structure the geography of wage rates in different ways, then, workers can powerfully shape how the economic landscape unfolds. Whereas uniform wage rates mean capitalists will be unable to play one community against another on the basis of wage differentials, a variegated wage surface allows them more readily to bully workers by threatening to relocate to lower-waged regions, although it may also allow some workers to secure work at below-market rates. Different groups of workers, then, clearly have a vested interest in making economic landscapes in different ways, and their ability to do so is a potent form of social power.

Thinking of economic landscapes as dynamic social products which are constituted by political and economic praxis but also constitutive of such praxis provides us, then, with a more active notion of space than one which conceives of space as simply the stage upon which, or the container within which, social life plays out. Thus, it allows us to think of space as plastic and malleable, as something that can be bent and reshaped through, say, constructing new highways which shorten travel times between places. Like history, space is clearly subject to political, economic, and other forces which shape it in particular ways, ways which may enable or constrain different actors' social practices. However, we must also remember that, much as significant events from the

past can continue to have powerful influences on the present and future, even after the principals involved are long dead, so does a place's path dependence mean the economic landscape is always a palimpsest – that is to say, even as contemporary economic and social processes reshape the landscape, elements of prior landscapes are never completely erased and some continue to influence greatly how present and future landscapes are made. Much as a ship's momentum means it may take considerable time to alter direction once the captain has ordered a course change, places' path dependence mean it takes time for the economic landscapes of the past to lose their grip on the making of those which come after them. The landscapes of the past, then, shape the creation of contemporary economic landscapes even whilst such creation erodes these very past landscapes.

Of Globalization, Shrinking Worlds, and the Paradoxes of Geography

So far, we have examined how economies can be thought of as spatial systems. In this final section I want to bring the discussion back to the issue of globalization, for whatever else they may be the contemporary economic and political transformations often taken to be "globalization" are reworking the spatial relationships between different parts of the globe. Arguably, this reworking has been represented most strikingly by the image of the "shrinking globe," in which revolutions in transportation and telecommunications technologies are seen to have brought places ever closer together. Of course, such an image is not meant to suggest that the globe has shrunk geologically. Rather, it denotes that the relative distances between places have been reduced as the time taken to get from location to location has dramatically diminished in recent years. Put another way, whilst the absolute distances between places (which are measured in some Euclidean metric like miles or kilometers) are always invariant barring major tectonic activity in the North Atlantic, London and New York City will always be 3 400 or so miles apart - the relative distances between places (typically measured in terms of either time or cost) are subject to political and economic forces which can dramatically transform the geographical relationships between different parts of the globe. Often, this phenomenon has been represented visually in the form shown in Figure 1.3, in which different sizes of the world are associated with different forms of travel, such that the world appeared much bigger when information, people, commodities, and capital moved about at the speed of a swift horse than at the speed of a swift stroke on a computer keyboard or a supersonic jet. Thus, whereas it took 11 days to cross the Atlantic by clipper ship in the middle of the nineteenth century, about five days by steamship at the beginning of the twentieth century, and John Alcock and Arthur Whitten Brown took approximately 16 hours to make the first crossing by air in 1919, by the 1980s travelers could have breakfast in London, fly at twice the speed of sound on Concorde to New York, have lunch there, and be back in London in time for an evening meal. The metaphor of the shrinking globe, then, is arguably

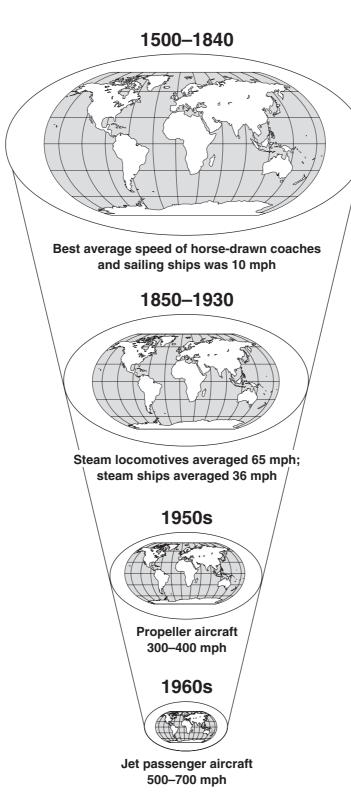
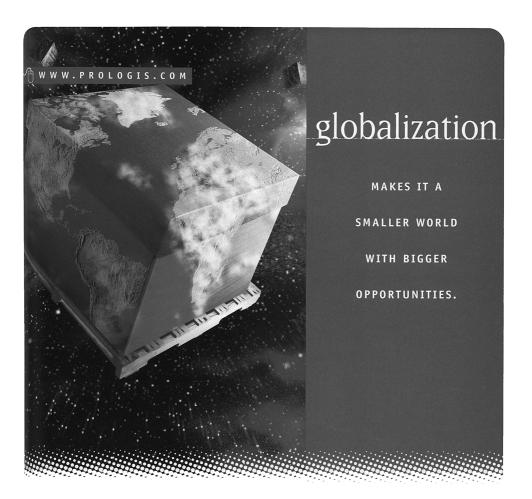


Figure 1.3 The incredible shrinking globe? The impact of revolutions in transportation upon relative distance.

the ultimate example of what Marx (1973: 539) referred to as the "annihilation of space by time," in which "space" – in the sense of the physical distances between places – is rendered less significant an impediment to economic interaction as the time taken to cross it is reduced by technological developments and revolutions in the spatial organization of society.

Despite the prevalence of adopting wholesale the picture of the shrinking globe as presented in Figure 1.3 as a way of thinking about globalization – such images, for example, have been widely used in commercial advertisements (Figure 1.4) – there are, however, a number of problems with this imagery. Primarily, of course, although the representation makes a powerful visual impact it is nevertheless a representation which, paradoxically, is both a-geographical and ahistorical – that is to say, it suggests that the annihilation of space by time and the shrinking of the globe is a universal and uniform process impacting all parts of the planet simultaneously, without regard for economic, political, or cultural differences between places or the trajectories of their historical development. This, though, is patently not the case. Rather, the process of annihilating space by time is one that is uneven both historically and geographically - different parts of the globe are impacted at different historical moments in different ways. Thus, whilst much is made of how the internet is making space irrelevant and bringing places together, it is doing so unevenly - in 2004 internet bandwidth between North America and Africa was a mere 1 673 Mbps, less than 0.33 percent of the 504 512 Mbps available between North America and Europe (PriMetrica 2004) (Figure 1.5), a disparity which means that North America and Europe are significantly more connected than are North America and Africa and are apparently becoming more so (the equivalent figure for 2003 was 0.35 percent). Likewise, although the top speed of large commercial jet aircraft is today around 650 miles per hour, not all communities have airports that can service such aircraft and so must be linked to the outside world by slower modes of transportation (small propeller planes, cars, trains, horses, walking), which makes them relatively more isolated than are the major metropolitan regions of the world. The process of increasing interconnectivity has equally been historically uneven - whereas in the 1970s computer systems communicated via telephone at about 300 bits per second, today they do so at over 100 million.

Additionally, it would be erroneous to assume that contemporary processes are only *shrinking* the globe. Given that relative distances between places are subject to economic and political forces, it is quite conceivable that, on occasion, relative distances between particular places might actually increase, even if the overall trend is towards a decrease. Hence, the US government's limitations on direct flights to Cuba mean that many Americans who wish to go to the island must fly first to places like Cancún, Nassau, or Toronto, and then on to Havana, a process which effectively makes Cuba much farther away than those Caribbean islands that can be accessed directly from the US mainland. Moreover, even when places do become closer together in absolute terms (though not in terms of absolute distances, which never change) – that is to say, if it takes less time to travel between North America, Europe, and Africa today than it did 50 years ago – different parts of the globe may become relatively further



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Figure 1.4 Example of the imagery of a shrinking globe used in advertising.

Figure 1.5 Global bandwidth, 2004.

apart if the speed at which distances between them shrink varies. Hence, as much of the "developing world" slips further behind the industrialized world as the technology gap between the two widens, Africa may be "closer" to North America today than it was half a century ago but this distance is not being reduced as quickly as is the distance between North America and, say, Europe. For example, whereas the cost of making a telephone call from the US to much of Africa decreased in the 1990s, the cost of calls to most of Europe and Latin America decreased much more rapidly, bringing them relatively much closer together (compare Figures 1.6 and 1.7). In effect, then, Africa fell further behind and became relatively more isolated globally, even as the world as a whole became more connected.

Finally, it is important to realize also that our understanding of this process of the shrinking of relative distances between places may vary significantly, depending upon how we choose to measure relative distance. Hence, the relative distances between places are likely to be quite different if we measure them in terms of different modes of transportation – how far I can drive in an hour by car will, generally, be a shorter distance than how far I can fly in an hour. Equally, the relative distances between places may be quite different if we measure them in terms of the *time* it takes to travel from one

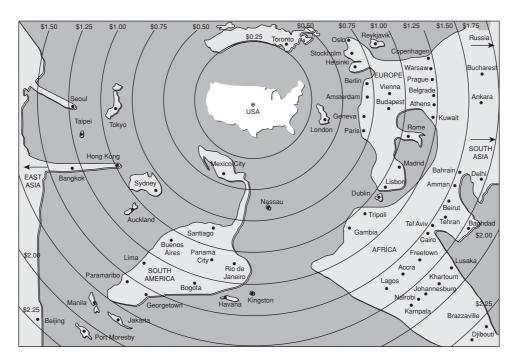


Figure 1.6 Cost per minute of calling from the US to the rest of the world, based on MCI peak rates, June 1994.

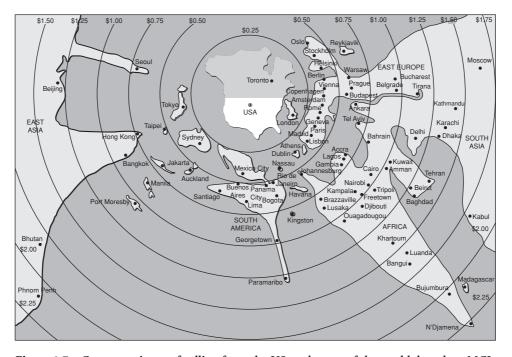


Figure 1.7 Cost per minute of calling from the US to the rest of the world, based on MCI peak rates, July 1998.

Telephone distance from Syracuse (based on a 2-minute call)

Airline distance from Syracuse

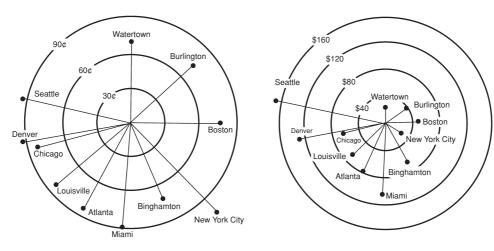


Figure 1.8 Relative distances from Syracuse, NY, as measured by the cost of telephoning and flying.

to another compared with the *cost* of interacting between them – whereas I can mail a letter to anywhere within the US for a standard rate (meaning that all places are equidistant in terms of cost), it will take different amounts of time for the letter to arrive in various locations, since it must be physically transported. Moreover, even when using the same metric – cost – this may vary considerably if different modes of interaction are being measured. Hence, as Monmonier (1977) has shown when comparing the cost of flying from Syracuse, New York, to several other cities across the US and the cost of making a standard-length telephone call between the same cities, some places are closer together when using one measure than they are using the other (Figure 1.8): when measured by the cost of a telephone call, New York City is "farther away" from Syracuse than is Miami, Florida, though in terms of the cost of flying the reverse is true.¹⁰

In thinking about globalization as a process which is transforming the relative distances between different parts of the globe, then, two important issues emerge which will shape how we understand what is occurring in our contemporary world. First, whilst much of the rhetoric associated with "globalization" (and we shall explore this term more fully in Chapter 3) has portrayed the process and the phenomenon in terms of images like the inexorably "shrinking world," in fact within a generalized process of shrinkage some places may become further apart, either absolutely or relatively, depending upon how the economic and political processes that are reshaping our world's geographical interconnectedness play out in particular places at particular times. Not only is the shrinking of our globe *not* a unidirectional phenomenon which is bringing all places closer together – some places are actually becoming more distant from each other – but it is quite clear that there is a complex and particular historical

geography to how the world is being rewired spatially: the process proceeds at different paces in different historical time periods and between different places, a reality which challenges narratives that see globalization as a unidirectional and universal process

(again, we shall return to this issue in Chapter 3).

Second, as the "annihilation of space by time" proceeds, and as the time it takes to get from place to place appears to get ever shorter (notwithstanding what I have just said about how this is a complex and not necessarily unidirectional process), one might be tempted to argue that geography and geographic location are increasingly irrelevant since, in a world of virtually instantaneous communication and ease of travel, corporations can now locate their operations pretty much anywhere in the globe and service pretty much anywhere else just as easily as if they were situated right down the street. Certainly, a not-insignificant number of commentators have suggested as much, publishing books with evocative titles such as Frances Cairncross's (2001) The Death of Distance and Thomas Friedman's (2005) The World is Flat or claiming that "in the age of the global economy, physical location is much less important" than previously and that it "no longer matters where a company is based" (Ohmae 2005: 13, 94). However, such views, I think, fundamentally misread how the reorganization of the spatial relationships between different parts of the planet is impacting our world. Contra the pundits who suggest globalization is rendering geography increasingly irrelevant, I would argue that, in a shrinking globe, geographic location actually becomes more - not less - important because firms with the capacity to locate their operations almost anywhere will undoubtedly be more discriminating in choosing between different places when making their investment decisions. Thus, a hundred years ago it mattered less how much someone in a foreign country was paid or what the regulatory conditions were under which they labored there because they were located so far away that capitalists usually could not take ready advantage of such conditions – many investment opportunities in overseas markets would have come and gone before foreign capital could be deployed to take advantage of them.

Today, by way of contrast, the ability to send billions of dollars around the globe in the twinkling of an eye or to transport rapidly highly perishable commodities (like cut flowers grown in East Africa for consumption in Europe) mean that circulating capital now has many more locational choices around the globe and can more readily exploit relatively minor differences in wage rates or regulatory regimes between places than when these spaces were beyond its reach – or, as Harvey (1989: 294) has put it: "[a]s spatial barriers diminish so we become much more sensitized to what the world's spaces contain." Paradoxically, then, whereas in a "larger" and "slower" world spatial restrictions could limit how economies developed, so that many goods and services had to be produced locally or regionally, regardless of what this meant for capitalists, now the ability to overcome distance – to annihilate space by time – has made spatial variations between places in conditions of capital accumulation more significant than ever before in the locational calculus of investment decision making. The more the world is opened up spatially to capital investment, apparently, the more significant do geographical considerations become for it.

Questions for Reflection

- How does the way in which we conceptualize economies shape how we understand the process of "globalization"?
- How does the way in which we conceptualize space shape how we understand the process of "globalization"?
- How might our geographical location shape how we think about "globalization"?

Notes

- Complicating matters, although General Mills manufactures Yoplait in the US using milk
 from local dairy producers, it does so under license from French company Sodiaal. Moreover,
 whilst many boycotters chose to buy, instead, Dannon yogurt in the belief this was a US
 brand, it is in fact owned by Groupe Danone.
- 2. The NUMMI (New United Motor Manufacturing, Inc.) plant, owned in equal parts by Toyota and General Motors, produces two-thirds of all Corollas sold in the USA (the remainder are Canadian-produced). It uses the same production platform to build the Chevrolet Prizm, and also manufactures the Toyota Tacoma, the Pontiac Vibe, and the Toyota Voltz (which is exported to Japan!).
- 3. On the West Japan Railway, for instance, a train is considered late if it is more than one minute behind schedule, whereas for London's Thameslink it is five minutes and for the New York Metro-North Railroad it is six (*New York Times*, April 27, 2005).
- 4. For its part, the idea of "the market" had been solidified in the early modern period with the development of concepts and practices related to accounting. As Poovey (1996: 2) argues with regard to the invention of double-entry bookkeeping: "[i]n the domain of commerce... the development of a system for representing commercial transactions permitted early modern English merchants to conceptualize experiences that were heterogeneous by nature as comparable in kind, and then to generalize from these transactions a 'market' that appeared to be a separate and law-abiding domain; this conceptual abstraction was eventually institutionalized, in banks and instruments of credit, so that it actually became a domain separate from politics and theology." Hence, diverse activities selling cows, transporting bread, buying bricks increasingly came to be seen merely as variations on a theme: engagement in something conceptualized as "the market."
- 5. Post-colonial scholarship argues that concepts and ideas about the world (like what is considered normal, natural, or best) have been shaped by colonialism and assume implicitly that "the West" represents the standard against which progress and normalcy should be measured. Consequently, such scholars argue, these ideas of what constitutes progress and normalcy need to be deconstructed as a strategy of liberation of formerly colonized peoples.
- 6. This conflation has raised methodological issues concerning how to measure levels of foreign direct investment (FDI). Whereas some have suggested that investments in colonies be excluded from FDI measures, since these were not "foreign" in the same way as were investments in non-colonies, Jones (1996: 39) argues that the administrative and

- legal contexts within which imperial metropole firms had to operate in the colonies were sufficiently different from investing domestically that their investments should be considered FDI. Furthermore, whereas British colonies like Canada and Australia eventually evolved into independent states, it is difficult to determine at what point they became sufficiently "foreign" that British investments in them should be considered FDI, with the result that early investment might not be considered FDI but later investment would be so considered.
- 7. The overseas *départements* of Réunion, Guadeloupe, Martinique, and Guyane remain part of France (and of the European Union). Three "Overseas territories" ("*territoires d'outre-mer*") French Polynesia, Wallis and Futuna, and the French Southern and Antarctic Territories and three special-status territories ("*collectivités territorialles*") Saint Pierre and Miquelon, Mayotte, and New Caledonia are part of France but not of the EU. This colonial legacy can be observed in everyday life in France advertisements for telephone calling rates on the Paris *Métro*, for example, typically indicate that these refer only to "Metropolitan France" (to make the distinction between "mainland" France and non-European *départements*).
- 8. In the Middle Ages it was common to reuse parchment by scratching out what was written on it and writing a new text over the old one. Typically, the earlier writing was incompletely erased and so was still partially visible. Such manuscripts are "palimpsests." One can think of landscapes in similar ways.
- 9. If we were to examine this phenomenon at different geographical scales, we would find that the levels of connectivity between North America and different countries within Europe and Africa, or between different cities in North America and in Europe and Africa, would also vary considerably.
- 10. This is the result of several economic and political considerations. When flying, a person must be physically transported, whereas when making a telephone call nothing actually moves between two points. The nature of competition and government regulation also plays a role. Thus, the manner in which the telephone industry was regulated at the time of the study meant that it generally cost more per minute to call locally within a region like New England than it did to call long-distance between regions, whilst some of the smaller towns within New England were only served by a single airline flying from Syracuse, such that the lack of competition meant airlines could charge monopoly prices on those routes. As this example illustrates, the cost of transporting weightless goods (cf. Quah 1999) will usually be less reflective of the absolute distance between places than will be the cost of transporting things which have mass.

Further Reading

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Electronic resources

Globalization101.org – A project of the Carnegie Endowment (www.globalization101.org) KOF Index of Globalization (http://globalization.kof.ethz.ch)
The Globalization Website (www.sociology.emory.edu/globalization)